

Honorable Barbara J. Rothstein

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

COINLAB, INC., a Delaware Corporation,

Plaintiff,

v.

MT. GOX KK, a Japanese corporation and
TIBANNE KK, a Japanese corporation.

Defendants.

NO. 2:13-cv-00777-BJR

STATUS REPORT ON PROGRESS
OF DEFENDANTS' BANKRUPTCY
PROCEEDINGS

Plaintiff CoinLab, Inc. provides this status report on the Tibanne and MtGox bankruptcy proceedings pursuant to the Court's Orders dated August 29, 2017 (Dkt. No. 142), February 5, 2015 (Dkt. No. 123), and April 10, 2023 (Dkt. No. 161).

As noted in previous CoinLab status reports, the Japanese Bankruptcy of defendant MtGox was converted to a Civil Rehabilitation Proceeding in June 2018. CoinLab filed a timely proof of claim in the rehabilitation proceeding, asserting MtGox's liability for the claims at issue in this litigation.

On or about September 2, 2019, the bankruptcy court in Japan issued an order assessing the value of CoinLab's claim against MtGox at JPY 384,857,605; plus interest through June 22, 2018 (the commencement date for the civil rehabilitation action) of

JPY 678,489,465; plus interest since June 22, 2018 at 12% per year, which totaled JPY 55,292,967 as of the date of the assessment order. The total assessed claim amount including interest as of September 2, 2019 is approximately JPY 1,118,640,037 or approximately \$10,230,045 (at December 13, 2019 conversion rate provided by Morningstar, Inc. and available through Google.com). On September 30, 2019, CoinLab filed a timely action to challenge this assessment in Tokyo District Court. Both parties have filed multiple briefs and supporting evidence and the Court has held several hearings but no order has been issued by the Court resolving any disputed issues. A hearing is currently scheduled in late September.

On or about November 2, 2019, the bankruptcy court in Japan issued an order denying CoinLab's claim against Tibanne. On or about November 29, 2019, CoinLab filed a timely appeal of this assessment in the Tokyo District Court. The litigation in the Tokyo District Court is ongoing and no substantive rulings have been issued by that Court. CoinLab filed its most recent brief the week of June 19, 2023. The Court has directed the parties to file additional submissions addressing potential settlement considerations and other issues by September 15, 2023 and has set a hearing in the case for September 25, 2023.

Dated: August 18, 2023

Respectfully submitted:

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CERTIFICATE OF SERVICE

I hereby certify that on August 18, 2023, I electronically filed the foregoing with the Clerk of the Court using the CM/ECF system which will send notification of such filing to all counsel of record who have registered for electronic notifications. I have also emailed a copy of this filing to Ms. Angela J. Somers, Reid Collins & Tsai LLP, counsel for Tibanne, in the Chapter 15 proceeding in the Southern District of New York.

By: /s/Edgar G. Sargent